

Senator Suzio Testimony re: HB 5021

As a fiscal conservative I am someone who almost always will defend free market competition with minimal or no restrictions. The free market has made this country the greatest economic engine in history. There are times however when regulations are appropriate. The proposal that prohibits sales of liquor on Sunday is one of those regulations that is warranted. I say this for two reasons.

- You cannot legislate oblivious to the history behind the situation. The fact is that this is an industry of mostly family-owned businesses that has existed under the existing regulations for decades. Small package stores have been bought and sold and operated for generations under the rules of the game. Dramatically changing those rules without regard for the impact on more than 1,000 such stores (and families) in Connecticut is wrong. Allowing Sunday sales may add a small bit of convenience for Connecticut consumers but that convenience pales in comparison to the devastating impact the legislation could have on hundreds of small business families. There is no credible evidence to prove that opening a seventh day of the week is going to materially add sales volume for these family-owned businesses. We can't be indifferent to the impact of the proposed law on most of those families and their businesses. They will simply work more and earn less. *It's not fair to materially change the rules of the game in the middle of the game.* We've passed legislation that largely helps big business in Connecticut. It's time to show support for the little guy, the families who not only work in, but are a part of their communities from generation to generation.
- The second reason I oppose the proposed legislation is that the added tax revenue claimed by supporters of the bill is very small – only \$5 million to \$8 million. ***If the real goal is to increase Connecticut tax collections then address the real problem*** – All Connecticut package stores big and small are at a disadvantage because of Connecticut's outrageous taxes imposed on alcohol. Take a look at the tax Connecticut imposes on a bottle of Jack Daniels in comparison to Massachusetts – it's more than double. Add to that the growing difference in gas taxes (again Connecticut's gas taxes are more than double those in Massachusetts) and Connecticut consumers have double the reason to leave Connecticut and buy their alcohol *and* gas across the border! (by the way I note that we tax alcohol twice and actually impose a sales tax on our alcohol tax- sound familiar?)

If the real goal is to stimulate increased tax revenues in Connecticut then make Connecticut merchants more competitive with our neighbor state by lowering our taxes on alcohol and on gas! *Now that's a policy that makes sense and will benefit everyone, consumers and business owners alike.* Massachusetts learned a lesson and eliminated the sale tax on alcohol giving their merchants a big advantage on Connecticut's poor package store owners. Why can't we learn too?

So I urge you today to not pass HB 5021. Focus instead on making Connecticut's tax structure more competitive with our neighboring state, Massachusetts. I would suggest that this Committee might hold hearings on how it is legal that Connecticut's sales tax can be applied to the alcohol excise tax. How can you tax something twice and not call that gouging. Now there's an example of gouging the Committee ought to be investigating.

Senator Len Suzio
13th Senate District
February 28, 2012

Massachusetts

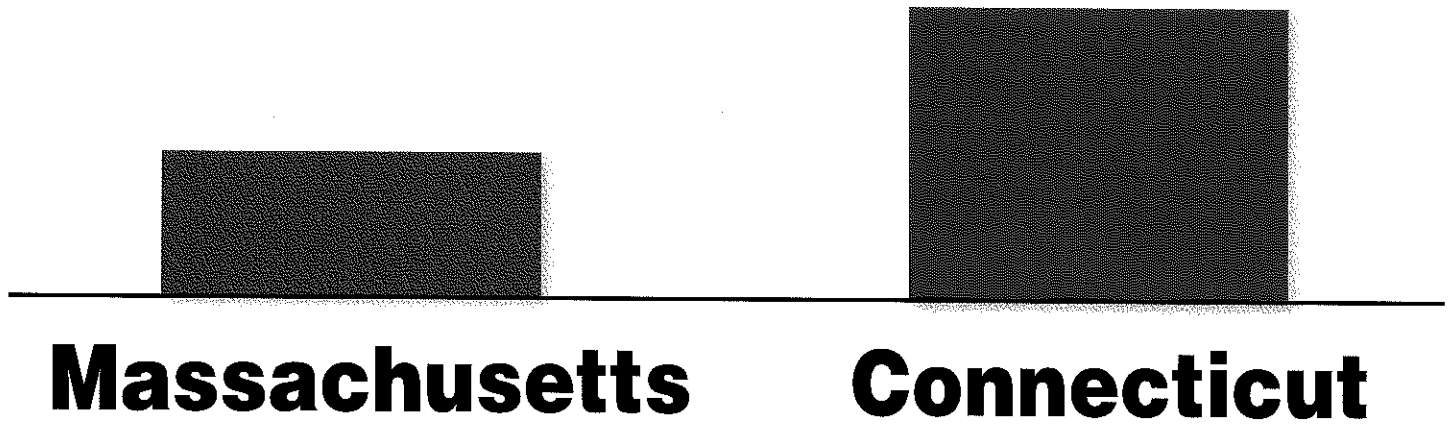
	Tax
Jack Daniels 1.75 Liter	\$2.40
Gallon of Regular Gas	\$0.24

Connecticut

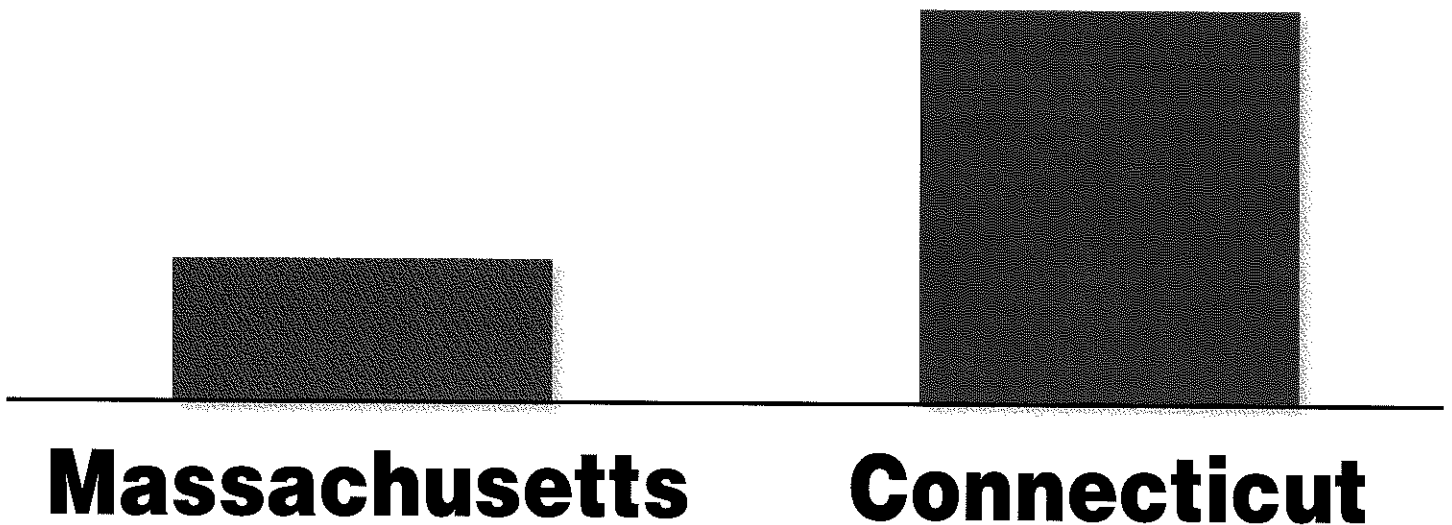
	Tax
Jack Daniels 1.75 Liter	\$5.40
Gallon of Regular Gas	\$0.50

It's The Taxes!

Gas Taxes



Alcohol Taxes



It's The Taxes!